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DIARY NOTES

Executive Director-Comptroller

[Signature]

23 July 1965

1. I spoke to Des Fitzgerald about making a survey of the usefulness of [] and deciding whether we should make any changes in current practices. He requested that I advise him of the requirements of the "seventh floor" and then ask him to survey the DD/P and to recommend a procedure which would meet the needs of the DD/P as well as the seventh floor. I undertook to do this and have asked Hank Knoche to prepare something for me to send to Des. I told Des also that [] had requested an appointment with me to discuss management of the Clandestine Services and that I would be happy to do so but wanted to make sure that he knew about it. He said that he had requested [] to talk with me about this. I gather that it all hinges around the Clandestine Services Personnel Division which is now on the T/O of the Office of Personnel but which devotes a substantial part if not most of its effort to the support of the Clandestine Services Career Service Panels.

2. The Director telephoned to say that Congressman George Miller, Chairman of the House Space and Astronautics Committee, wanted to be briefed on Soviet space activities at 0930 hours on Monday, 26 July. I called Bud Wheelon and Larry Houston, and the briefing has been laid on. Carl Duckett will make the presentation.

3. Bud Wheelon requested an audience with the Director and me to protest placing [] of OXCART money in our lower priority items submitted to the Bureau of the Budget and also to protest a disproportionate percentage allocation to the DD/S&T. I explained to the Director exactly how this lower priority figure was arrived at and reiterated my position that (a) OXCART had never been operational, (b) [] and (c) the U.S. Government is not going to let OXCART go down the drain. The question, then, is whether we are willing to pay [] to have the privilege of keeping OXCART in CIA at the possible expense of eliminating something [] I also said that I thought this submission to the Bureau didn't mean very much inasmuch as OXCART will be run by CIA or the Department of Defense depending

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on how the whole NRO matter finally comes out. In any case, the U.S. Government is not going to lose it. The Director supported my position fully. I also explained to the Director and Bud that we could not accomplish an exercise of this kind by allocating the same percentage cuts to each Directorate and, in fact, our whole task would be much simpler if the Deputy Directors would do a better job in identifying their real low priority programs in lieu of submitting to us the "shutting off the water in the Director's toilet" type of items. The Director and I assured Bud that there was nothing final about this and that there would be many adjustments between now and the time the budget is actually submitted in September. Bud came back to my office with me to say that he hoped he hadn't offended me in any way. I assured him that he had not, but also emphasized that he would be wise to take a hard look at some of the things he was doing in our budget exercise. I identified one or two for him which in my book are of much lower priority than those which his Directorate submitted.

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5. I talked with [redacted] about the following:

a. We discussed the audit report of the mess fund, and I told him to insure that an appropriate reply was prepared. He assured me that the charge of seventy-some guests in one day to the mess fund was an error and that the mess was actually reimbursed for this. I also emphasized to him the necessity of having all the employees that work there security-cleared and that their status should be kept current.

b. I talked with Dave about the number of newspapers and periodicals being received in the Office of the Director and asked him to prepare a brief memorandum to the various people who receive them so that we can decide whether they are really necessary.

c. In reviewing the Office of the Director's budget with Dave I pointed out several places where I thought we could save some

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money, the most significant of which is the [] budgeted for DCI travel on the assumption that he would take a chartered Air Force plane for his entire trip.

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6. I spent most of the afternoon with the Director, John Bross, Bill Colby, John Clarke, and [] talking about the budget. John Clarke prepared a detailed memorandum for the record of this meeting. The subjects discussed, however, were as follows:

to the Director Bureau of the Budget

a. A contingency plan. We were asked to submit by Monday, 26 July, a contingency plan saying what we could do if we should have to forego a supplemental request.

b. A supplemental request. If we should have a supplemental, the Bureau of the Budget is willing to go forward with [] They do not wish to go forward at this time with Radio China, and they do not wish to put in a []

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c. Radio China. They want to defer a final decision on this until the Department of State, USIA, and CIA have made a joint study of the whole problem and decided just what areas would be handled by [] as opposed to the Voice of America, etc.

d. Manpower controls. The Bureau of the Budget will insist that we comply with the spirit of their manpower control program. However, Mr. Staats, the Deputy Director of the Bureau, volunteered that they were well pleased with our manpower control program and in fact thought that it was one of the best they had seen.

e. In our budget submission the Bureau agrees that Vietnam makes this a little different world than it was when they prescribed that we should assume that international tensions would not increase. However, they do have some questions about the balance of our budget. They have made an analysis which I assume we will see and which indicates that we are not spending our money in the right areas insofar as they are concerned. We agreed, of course, to review this with them.

f. Low priority items. They think that some of the low priority items which we submitted in our lowest 10 percent are really quite

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high priorities and would hope that these would be re-examined before our budget submission.

g. Photo interpretation. They are going to address a letter to the Secretary of Defense and the Director of Central Intelligence asking that a joint study group be set up to look into this whole problem.

h. The consolidated cryptologic program. They understand that the Director is looking into this entire program.

i. The increase in Department of Defense clandestine collection. The Director requested that he not be asked to look into this but urged Mr. Schultze to talk with Clark Clifford, the Chairman of the President's Foreign Intelligence Advisory Board. Mr. Schultze said that he would do this but that he might be back to ask for Admiral Raborn's assistance and guidance at some later date.

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